SUBJECTS.

Amendment of the Indian Companies' Act (Regulation I of 1063) and the issue of a translation of it.

Mr. N. Padmanabha Kymal (Member, Shertallai Taluk) requested that Regulation I of 1063 (the Indian Companies' Act) be translated into Malayalam, like all other Regulations, as that would greatly help the non-English knowing people to understand the provisions of the Act.

The Member complained that selfish men took advantage of the general ignorance of the people in this matter and floated many registered Companies, collecting large sums of money from the people. But most of these Companies were formed on misrepresentations made about the provisions of the Act and they collapsed soon after large sums had been collected from the people. About 120 Companies had been registered since the passing of the Act, but nearly a hundred of them had been either broken up or dissolved. And of the remaining ones, there were very few in which the Directors and the share-holders were working harmoniously. The Member expatiated at great length upon the irregularities of the "Travancore Karapuram Industrial Trading Company", Shertallai, and said that the promoters of the Company made ignorant people believe that, the Company being registered, the Government were also responsible for its stability. As there was not sufficient control and scrutiny on the part of the Government, the Directors often spent or misappropriated the moneys with impunity. Though the Company had to submit accounts annually to the office of the Registrar of Joint Stock Companies, those accounts were drawn up in such a manner that the vagaries committed by the Directors could not be easily made out from them. The Registrar had no power to examine the accounts of the Company with a view to test the accuracy of the accounts submitted by them. The annual submission of accounts, therefore, only served the purpose of making people believe that the affairs of the Company were properly managed, though the actual state of affairs was just the reverse. It was the duty of the Government to take the necessary measures to safe-guard the interests of the constituents against the fraudulent acts of the Directors. The Member therefore requested that the Regulation might be so amended as to give greater power to the Registrar of Joint Stock Companies, or any officer whom the Government might appoint in that behalf, to scrutinise and generally supervise the affairs of the Companies registered under the Regulation. He then drew attention to Sections 82 and 83 of the Regulation, which provided for the examination of the affairs of a Company by Inspectors in cases where an application was made for the purpose by not less than

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one-fifth of the total number of persons who were m bers of the Company. The Member said that it difficult to satisfy this condition in Travancore, wh local conditions differed from those of British India, the Sections were therefore of no practical use here. requested that the Sections be so amended as make it possible for an application being made by five or ten shareholders of a Company for securing inspection. He also requested that the Government m adopt such other measures, besides the above, as m appear to them necessary in the interests of the peopl this matter.

Dewan's reply.—Noted.

The Assembly adjourned at 5 P. M.

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